

### **REMARKS/ARGUMENTS**

In the Office Action mailed March 4, 2010, claims 1-7, 14-26, 33-42 and 64-67 stand rejected and claims 8-13, 27-32, 43-63, and 68 stand withdrawn. Applicant has thoroughly reviewed the outstanding Office Action including the Examiner's remarks and the references cited therein. Without conceding the propriety of the rejections, claims 1, 20, and 40 have been amended to further define the replacement property and the transfer of the replacement property for the relinquished property. Support for these amendments is found at least at FIG. 3 and page 19, lines 20-29. In addition, claims 1 and 40 have been amended to recite that the method is carried out on a computer executing a program of computer readable instructions for performing the method. Support for these amendments is found at least at page 27, line 23 to page 28, line 16. Furthermore, claims 18, 38, and 64-67 have been amended to correct minor informalities and improper dependency. Accordingly, no new matter has been added and not estoppels intended thereby. The following remarks are believed to be fully responsive to the Office Action. All the pending claims at issue are believed to be patentable over the cited references.

### **CLAIM OBJECTIONS**

Claims 18 and 64-67 stand objected to under 37 CFR 1.75(c), as being of improper dependent form for failing to further limit the subject matter of a previous claim. The dependency of claims 18 and 64-67 has been amended accordingly. As such, Applicant respectfully requests these objections be withdrawn.

### CLAIM REJECTIONS – 35 U.S.C. §101

Claims 1-7, 14-19, 40-42 and 64-67 stand rejected under 35 U.S.C. §101 because the claimed invention is directed to non-statutory subject matter. Initially, Applicant respectfully submits that amended claims 1 and 40 recite, *inter alia*, the computer *executing a program* of computer readable instructions for performing the method. Emphasis added. As such, Applicant does clearly claim that the computer is programmed to perform the inventive steps. Furthermore, the execution of programs having such instructions by a computer is disclosed at least at page 27, line 23 to page 28, line 16. Moreover, it is well established that “[a] patent applicant need not include in the specification that which is already known to and available to the public.” *In re Howarth*, 654 F.2d 103, 105, 210 USPQ 689, 691-92 (CCPA 1981); *In re Lange*, 644 F.2d 856, 863, 209 USPQ 288, 294 (CCPA 1981); *Paperless Accounting, Inc. v. Bay Area Rapid Transit System*, 804 F.2d 659 at 664, 231 USPQ 649 (Fed.Cir.1986), (*cert. denied*). It is generally known to those skilled in the art that computer only perform instructions they are programmed to perform. Therefore, the numerous references to the computer performing various steps at least at pages 25-27 can only be performed by a computer programmed to do so.

In addition, the court in *Bilski v. Kappos*, 561 U.S. \_\_\_\_ (2010) has set forth the requirement that the claims not be directed towards, “abstract ideas” – which is read to require that claims should recite that a computer is *executing* the inventive process in order to show that a general purpose computer has been made into a special purpose machine. As described herein, claims 1 and 40 recite, *inter alia*, the computer *executing a program* of computer readable instructions for performing the method. While the *Bilski* court held that this machine-or-transformation test is not the sole test for deciding whether an invention is a patent-eligible process, the *Bilski* court did hold the test is a “useful and important clue, an investigative tool, for

determining whether some claimed inventions are processes under §101.” Therefore, claims 1 and 40 are patent-eligible processes under 35 U.S.C. §101.

In view of the forgoing, withdrawal of the 35 U.S.C. §101 rejection to claims 1 and 40 and the claims that depend therefrom is respectfully requested. Claims 2-7 and 14-19 depend from independent claim 1. Claims 41-42 and 64-67 depend from independent claim 40. Accordingly, withdrawal of the 35 U.S.C. §101 rejection to claims 1-7, 14-19, 40-42 and 64-67 is respectfully requested.

#### **CLAIM REJECTIONS – 35 U.S.C. §112**

Claim 38 stands rejected under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Applicant respectfully submits that the amendment to claim 38 render the foregoing rejection moot. Accordingly, Applicant respectfully requests withdrawal of the foregoing rejection of claim 38.

Claims 1-7, 14-19, 20-26, 33-39, 40-42 and 64-67 stand rejected under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. With respect to how “transferring” “receiving” and “exchanging” occur in a computer system, it is generally known to those skilled in the art that these and other such transaction occur on a computer system to calculate and otherwise keep track of assets associated with the transactions. Furthermore, this asset tracking is described at least at page 25, lines 6-12. Accordingly, Applicant submits that “transferring” “receiving” and “exchanging” occurring in a computer system is not at all unclear.

With respect to the elements “means for transferring/exchanging/receiving,” the applicant respectfully submits that claim 20 is clearly directed towards a computer system for performing a tax-deferred transaction involving an investor owning a relinquished property. This computer system and the distributed network upon which the computer system resides are described in the specification and are generally known to be capable of performing such transactions.

### **CLAIM REJECTIONS – 35 U.S.C. §103(a)**

Claims 1-7, 14-19, 40-42 and 64-67 stand rejected under 35 U.S.C. §103(a) as being unpatentable over “Vesting and Finance Issues Related to Tax-Deferred Exchanges under IRC §1031” by Todd R. Pajonas (hereinafter “Pajonas”), in view of Roberts *et al.* (US 2002/0013750; “Roberts”). Applicant assumes rejection was intended to include claims 20-26 and 33-39 as these rejections are described on pages 12-17 of the Office Action. Applicant respectfully traverses this rejection for at least the following reasons:

Initially, Applicant submits that claims 1, 20, and 40 are patentably distinct from Pajonas and Roberts and any combination thereof. Claims 1, 20, and 40 recite, *inter alia*, said operating partnership having identified and acquired said replacement property prior to said exchange and said operating partnership underwriting said lease. In contrast, neither Pajonas nor Roberts disclose at least these elements. In this regard, the attached Declaration Pursuant to 37 C.F.R. § 1.132 by Dr. Glenn R. Mueller, Ph. D. supports the Applicant’s position that the present invention is a novel and nonobvious improvement over any combination of Pajonas and Roberts as well as any conventional financial products. In summary, the Declaration by Dr. Mueller distinguishes a financial product which is an embodiment present invention as recited in claims 1, 20, and 40 from the cited references and also describes how these distinguishing elements

greatly add to investor confidence in the financial product and therefore the overall success of the financial product.

In view of the forgoing, withdrawal of the 35 U.S.C. §103(a) rejection to claims 1, 20, and 40 and the claims that depend therefrom is respectfully requested. Claims 2-7 and 14-19 depend from independent claim 1. Claims 21-26 and 33-42 depend from independent claim 20. Claims 41-42 and 64-67 depend from independent claim 40. Accordingly, withdrawal of the 35 U.S.C. §103(a) rejection to claims 1-7, 14-26, 33-42 and 64-67 is respectfully requested.

**CONCLUSION**

In view of the foregoing remarks, Applicant respectfully requests that all the objections and rejections to the claims be removed and that the claims pass to allowance. If, for any reason, the Examiner disagrees, please call the undersigned at 202-861-1629 in an effort to resolve any matter still outstanding before issuing another action. The undersigned is confident that any issue which might remain can readily be worked out by telephone.

In the event this paper is not timely filed, Applicant petitions for an appropriate extension of time. Please charge any fee deficiencies or credit any overpayments to Deposit Account No. 50-2036 with reference to our Docket No. 96448.0002.

Respectfully submitted,  
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